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Attorneys for Defendant Sterling Publishing Co., Inc.

IN THE UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF NEW YORK

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INNOVATIVE USA, INC.

Plaintiff

No. 07 CV 6362 (DCC)

v.

STIPULATION

STERLING PUBLISHING CO., INC.

Defendant.

WHEREFORE, Plaintiff Innovative USA, Inc. ("Plaintiff") commenced this action on or about July 12, 2007 claiming that Defendant Sterling Publishing, Inc. ("Defendant") infringed United States Patent No. 5,820,383 (the "Patent") to which Plaintiff claims ownership;

WHEREFORE, Defendant informed Plaintiff and the Court that it intends to file a Request for Reexamination ("Request") with the United States Patent and Trademark Office ("PTO") asserting that the Patent is invalid on obviousness grounds;

WHEREFORE, at Scheduling Conference held before the Court on September 21, 2007, the Court set Oct. 19, 2007 as the deadline for Defendant to move for a stay based on such a Request;

WHEREFORE at that conference the Court further indicated that the parties could stipulate to such a stay;

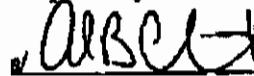
WHEREFORE, Plaintiff agreed to stay this action on the terms indicated below in the event that Defendant files such a Request;

WHEREFORE, today Defendant filed the request (via Express Mail) and served Plaintiff with a copy of the same and therefore the Parties seek entry of this Stipulation staying this matter as indicated below;

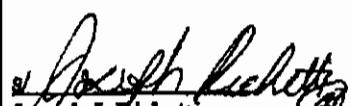
IT IS HEREBY STIPULATED AND AGREED by and between the undersigned attorneys for the parties that all proceedings, including discovery, in the above-captioned matter are hereby stayed until (i) the PTO makes a determination concerning the Request for Reexamination of the Patent filed by Defendant on October 19, 2007, and, (ii) in the event, that the Request is granted, until the PTO renders a decision concerning the Request and proceedings before the PTO concerning such Request, including any appeals, are concluded.

Dated: New York, New York  
October 19, 2007

Respectfully submitted,

  
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Attorneys for Defendant  
Sterling Publishing Co., Inc.

So Ordered:

J.S.C.

October 23, 2007